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OLL/LD INCOMING / / FRP: ,2,3, , , , CTATE 25X1 84 3522036 SCR PAGE 001 NC 3522036 TOR: 020839Z MAR 84 25X1 RR RUEAIIB ZNY CCCCC ZOC STATE ZZH STU4774 RR RUEHC DE RUEHBU #1560 0611226 ZNY CCCCC ZZH R 011225Z MAR 84 FM AMEMBASSY BUENOS AIRES TO RUEHC/SECSTATE WASHDC 0579 INFO RUEHVI/AMEMBASSY VIENNA 0709 RUEHBR/AMEMBASSY BRASILIA 5915 RUESNA/AMEMBASSY SANTIAGO 6879 RUEHME/AMEMBASSY MEXICO 0810 C O N F I D E N T I A L BUENOS AIRES 01560 UNVIE 25X1 E.O. 12356: DECL: OADR TAGS: PARM, TRGY, MNUC, ENRG, KSCA, AR SUBJECT: ARGENTINE NUCLEAR POLICIES: FOREIGN MINISTER CAPUTO'S RESPONSE TO SENATOR PERCY.

- CONFIDENTIAL ENTIRE TEXT.
- IN A MEETING FEBRUARY 27 BETWEEN SCIENCE COUNSELOR AND ADOLFO SARACHO, DIRECTOR OF THE FOREIGN MINISTRY'S OFFICE OF NUCLEAR AFFAIRS AND DISARMAMENT, SARACHO EXPRESSED CONCERN OVER THE RECENT EXCHANGE OF LETTERS BETWEEN SENATOR PERCY AND FOREIGN MINISTER CAPUTO. THE NUCLEAR ISSUE HERE WAS AN EXTREMELY SENSITIVE AND TOUGH ONE FOR ALFONSIN, SARACHO SAID. PUBLIC OPINION WAS RUNNING STRONGLY AGAINST ANY MOVES IN THE NUCLEAR AREA BY THE NEW GOVERNMENT THAT COULD BE INTERPRETED AS RELINQUISHING ARGENTINE NUCLEAR AUTONOMY. THE EXTENT OF THIS PUBLIC CONCERN WAS DRIVEN HOME WHEN LABOR LEADERS IN THEIR MEETING WITH THE PRESIDENT UNEXPECTEDLY RAISED THE NUCLEAR ISSUE, ASKING ALFONSIN NOT TO SACRIFICE ARGENTINE SOVEREIGNTY BEFORE U.S. PRESSURE. THAT, HE SAID, CAME AS A SHOCK. WITHIN THE NEXT FEW DAYS, THE PERONISTS WERE EXPECTED TO TABLE IN CONGRESS THEIR OWN RESOLUTION STRONGLY SUPPORTIVE OF THE NUCLEAR PROGRAM.
- 3. GIVEN THE INTERNAL SITUATION HERE, SARACHO ASSERTED THE ARGENTINE GOVERNMENT HAD NO CHOICE BUT TO RESPOND IN STRONG TERMS TO SENATOR PERCY'S LETTER. HAD THE CONTENTS OF THE PERCY LETTER BEEN MADE PUBLIC, IT WOULD CERTAINLY HAVE BEEN VIEWED BY RADICALS AND PERONISTS ALIKE AS A U.S. ATTEMPT TO PRESSURE ARGENTINA. THE PERCY LETTER REFLECTED "THE SAME OLD LINE" THAT THE UNITED STATES HAD BEEN HITTING ARGENTINA WITH FOR YEARS' THE U.S. THEREFORE SHOULD NOT HAVE BEEN SURPRISED TO RECEIVE THE SAME OLD ARGENTINE LINE IN RETURN.
- SARACHO MAINTAINED THAT, DESPITE THE RUMORS IN THE PRESS. THE FOREIGN MINISTRY WAS NOT TRYING TO LINK THE

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NUCLEAR ISSUE WITH OTHER BILATERAL AREAS (I.E., THE DEBT AND FALKLANDS/MALVINAS). THERE WAS NO DOUBT, HOWEVER, THAT SOME FAVORABLE U.S. SIGN, INCLUDING PROGRESS IN BILATERAL NUCLEAR RELATIONS, WOULD BE HELPFUL IN ENABLING ARGENTINAA TO MOVE POSITIVELY IN THE NUCLEAR AREA. ORTIZ

END OF MESSAGE

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